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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 17, 2002

APPLICATION OF

DALE SERVICE CORPORATION

CASE NO. PUE-2002-00092

For review of changes to terms and conditions

ORDER PRESCRIBING NOTICE AND INVITING COMMENTS AND REQUESTS FOR HEARING

On January 9, 2002, Dale Service Corporation ("Dale Service" or "Company") filed an application with the State Corporation Commission to implement Schedule of Inspection Fees and Operating Procedures for Construction Inspection Services ("Schedules"). According to Dale Service, Prince William County has informed the Company that effective February 18, 2002, it would no longer perform inspection services regarding sewer lines constructed within the Company's service territory. This change has required Dale Service to modify its Terms and Conditions to reflect the requirement that developers obtain inspections services and submit evidence of said inspections to the Company.

Section 56-240 of the Code of Virginia ("Rules Governing Utility Rate Increase Applications and Annual Informational

Effective April 9, 2002, the new Case Management System requires that the case number format for all Commission orders change from, e.g., PUE010663 to the following: PUE-2001-00663.

Filings") permits changes to the rules and regulations of a public utility to take effect within thirty days after the application is filed, subject to refund, pending investigation, so long as the changes in the application complies with the rules and the utility has not experienced a substantial change in circumstances since its last rate case. Dale Service requested that its proposed terms and conditions be permitted to take effect for inspections performed after February 18, 2002.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion that Dale Service's application should be docketed, that notice should be given to the public, that interested parties should be given an opportunity to comment or request a hearing on the Company's application, that Dale Service should be allowed to implement its proposed terms and conditions on an interim basis, that Staff should investigate and analyze the Company's application and present its recommendation to the Commission, and that the application should be docketed and assigned Case No. PUE-2002-00092.

Accordingly, IT IS ORDERED THAT:

- (1) The application filed by Dale Service on January 9, 2002, is hereby docketed and assigned Case No. PUE-2002-00092.
- (2) The interim terms and conditions shall be applied to inspections rendered on or after February 18, 2002.

- (3) The Company's application and accompanying materials may be viewed during regular business hours at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia. Interested parties also may obtain copies by making a written request to counsel for Dale Service, Richard D. Gary, Esquire, and Renata M. Manzo, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.
- (4) On or before May 30, 2002, Dale Service shall submit the following notice as display advertising, not classified, to be published in newspapers having general circulation throughout the Company's service territory:

NOTICE OF THE APPLICATION OF DALE SERVICE CORPORATION FOR REVIEW OF CHANGES TO TERMS AND CONDITIONS CASE NO. PUE-2002-00092

On January 9, 2002, Dale Service Corporation ("Dale Service" or "Company"), filed an application for State Corporation Commission ("Commission") approval of the Company's plan to implement Schedule of Inspection Fees and Operating Procedures for Construction Inspection Services ("Schedules"). The Commission has been informed by Dale Service that effective February 18, 2002, Prince William County no longer performs inspection services regarding sewer lines constructed within the Company's service territory. This change has required Dale Service to modify its Terms and Conditions to reflect the requirement that developers obtain

inspections services and submit evidence of said inspections to the Company.

Section 56-240 of the Code of Virginia ("Rules Governing Utility Rate Increase Applications and Annual Informational Filings") permits changes to the rules and regulations of a public utility to take effect within thirty days after the application is filed, subject to refund, pending investigation, so long as the changes in the application complies with the rules and the utility has not experienced a substantial change in circumstances since its last rate case. Dale Service requested that its proposed terms and conditions be permitted to take effect for inspections performed after February 18, 2002.

A copy of the above-referenced application is available for inspection during regular business hours at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. Interested persons may obtain a copy of the application by making a written request to counsel for Dale Service, Richard D. Gary, Esquire, and Renata M. Manzo, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

Comments on the application must be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before July 1, 2002. Requests for a hearing shall state why a hearing is necessary and why such issues cannot be adequately addressed in written comments. All correspondence shall refer to Case No. PUE-2002-00092. A copy of any comments or requests for hearing shall also be sent to counsel for Dale Service, at the address set forth above.

If no sufficient request for hearing is received, a formal hearing with oral testimony may not be held, and the Commission may make its decisions based upon the papers filed in this proceeding.

DALE SERVICE CORPORATION

- (5) The Company shall forthwith serve a copy of this Order on the Chairman of the Board of Supervisors of any county, upon the Mayor or Manager of any city or town, and upon any equivalent officials in counties, cities, and towns having alternate forms of government, within the Company's service territories. Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.
- (6) On or before July 1, 2002, the Company shall file with the Clerk of the Commission at the address set forth above proof of notice and service as required in Ordering Paragraphs (4) and (5) above.
- (7) On or before July 1, 2002, any interested person wishing to comment on Dale Service's application, or desiring a hearing in this matter, shall file an original and fifteen (15) copies of such written comments and requests for hearing with the Clerk of the Commission at the address set forth above, and shall refer to Case No. PUE-2002-00092. A copy of such comments or requests for hearing shall simultaneously be sent to counsel for Dale Service, at the address set forth above. Any request

for hearing shall detail reasons why such issues cannot be adequately addressed in written comments. If no sufficient requests for hearing are received, a formal hearing with oral testimony may not be held, and the Commission may make its decision based upon papers filed in this proceeding.

- (8) On or before July 23, 2002, the Commission Staff shall review the application and file a report with the Commission presenting its findings and recommendations.
- (9) On or before July 31, 2002, the Company and any interested person may file with the Clerk of the Commission at the address set forth above any response to the Staff Report.
- (10) The Company shall respond to written interrogatories within seven (7) business days after receipt of same. Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.
 - (11) This matter is continued generally.